

Guide for Review of Conformance to Method of Distribution			
Name of Program Participant:			
Staff Consulted:			
Name(s) of Reviewer(s)		Date	

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding**" with the exceptions noted in questions 8 and 12 under Section "C" of this Exhibit.

Instructions:

Section 104(e)(2) of the Act and 24 CFR 570.493(a)(1) require HUD to determine whether or not the state has distributed its funds in conformance with the method of distribution described in its annual Action Plan. (Consolidated Plan Action Plan requirements for states are at 24 CFR 91.320.) While the method of distribution may not include all the elements on this Exhibit, the distribution method must include selection criteria for every category that the state chooses to fund. When the state's method of distribution does include the other elements in this Exhibit, these elements *must* also be reviewed to determine the extent to which conformance is met.

Questions:

A. FUND DISTRIBUTION

Review the method of distribution and grant award announcements to determine if the awards designated for each category of funds were within the limits established by the method of distribution.

ACTION PLAN REVIEWED (Year): _____			
Fund Category	Proposed Amount	Actual Amount	Difference
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00

	\$0.00	\$0.00	\$0.00
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1.

Describe the rationale for any differences between proposed and actual amounts in the chart above.

Describe Basis for Conclusion:

2.

Does the method of distribution permit such difference?

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Yes

No

N/A

Describe Basis for Conclusion:

B. METHOD OF DISTRIBUTION

Instructions: Select a sample of applications from each category included in the state's program. Based on file information and staff interviews, if necessary, determine if the state's review criteria were followed for the selected applications. Use Table I to list the selection factors. Insert the name of each funding category reviewed in the 1st column and the selection criteria for that category in the 2nd column, list ceilings in the 3rd column and any other threshold factors in the 4th column, if applicable.

The reviewer should use Table II when reviewing files. List the name of the applicant file selected in the 1st column and the amount requested in the 2nd column. Insert the amount approved in the 3rd column, putting a "P" beside the amount if program income funds are included and an "R" beside the amount if recaptured funds are included. If the application was not funded, insert "0." In the 4th column, write "Y" for "Yes" or "N" for "No" to indicate if the award was within the ceilings; similarly, indicate "Y" (for "yes") or "N" (for "no") in the 5th column when other threshold factors were met and check the box in the 6th column if the selection criteria were satisfied.

TABLE I. SELECTION FACTORS

Funding Category	Selection Criteria	Ceiling (If Any)	Other Threshold Factors (If Any)
		Maxim	
		Maxim	
		Maxim	
		Maxim	
		Maxim	
		Maxim	

		Maxim	
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TABLE II: FILES REVIEWED					
Name of Applicant	Amount of Request	Award Amount Approved	Selection Within Ceiling (Check = "Yes")	Threshold Satisfied (Check = "Yes")	Criteria Satisfied? (Check = "Yes")
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. FILE ANALYSIS

Instructions: Based on the results of the above review, and information contained in the Annual Action Plan, answer the questions for the following 5 elements that are applicable to the state's program (Program Income, Recaptured Funds, Section 108 Loan Guarantees, and Float Loans). * **NOTE:** If a state distributed funds from a category, but failed to include the category in its original method of distribution or an action plan amendment, this constitutes a "finding."

Program Income

3.

Does the state have a method of distribution in its current annual Action Plan for program income it has distributed during the program year being reviewed? [24 CFR 91.320(g)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

4.

a. Does the state have a state revolving fund to distribute program income received from certain types of activities?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

b. If the answer to “a” above is “yes,” does the method of distribution specify that grants which will be funded out of state revolving funds must be for the same types of activities which generated the program income to begin with? [24 CFR 91.320(g) and 24 CFR 570.489(f)(2)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

Recaptured Funds

5.

Has the state distributed recaptured funds (i.e., funds previously awarded to a recipient(s) that are returned to the state)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

6.

Does the state have a method of distribution in its current Action Plan for recaptured funds? [24 CFR 91.320(g)(1)]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

Section 108 Loan Guarantees

7.

Has the state pledged or used CDBG funds to support the commitment of a Section 108 Loan Guarantee to a unit of local government?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

Exhibit 4-4
State CDBG Program

8.

a. Does the state have a method of distribution in the Action Plan being reviewed for Section 108 Loan Guarantees? (See NOTE under “C” above regarding findings.) [24 CFR 91.320(g)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: <div style="height: 60px; border: 1px solid black;"></div>			

b. If the answer to “a” above is “yes,” describe the state’s method for distributing funds for Section 108 Loan Guarantees.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: <div style="height: 100px; border: 1px solid black;"></div>			

9.

Does the method of distribution indicate the amount of Section 108 Loan Guarantee commitments that it will allow for the state’s CDBG program as a whole and for an individual community? [24 CFR 91.320(g)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: <div style="height: 150px; border: 1px solid black;"></div>			

10.

Does the method of distribution include the criteria that the state will use in deciding whether to support a unit of local government's Section 108 proposal? [24 CFR 91.320(g)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

Float Loans

11.

Has the State made grant awards to units of local government for float-funded activities, i.e., used funds already awarded to another unit of local government?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Describe Basis for Conclusion:		

12.

a. Does the state have a method of distribution in its current Action Plan for float-funded activities? (See NOTE under "C" above regarding findings.) [24 CFR 91.320(g)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion:			

Exhibit 4-4
State CDBG Program

b. If the answer to “a” above is “yes,” describe the state’s method for distributing funds for float-funded activities.	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: 			

13.

Does the method of distribution indicate the amount of float-funded activities that it will allow for the state’s CDBG program as a whole and for an individual community? [24 CFR 91.320(g)(1)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Describe Basis for Conclusion: 			